



National Association of Railroad Passengers Annual Meeting

STB Commissioner Francis P. Mulvey

The Outlook for Amtrak and the Role of the STB

Silver Spring, Maryland –April 23, 2005

Background

Observations based on 30 plus years addressing
Amtrak and intercity passenger rail issues

Amtrak has been in “crisis” almost continuously since
1971

Never sufficient funding to test whether intercity
rail passenger service could be viable

Is current crisis different?

Negative Factors

Administration has had Amtrak “Reform” as major part of Transportation initiatives since it took office

Administration's Proposal based as much on Economic Philosophy as Economic Analysis

Current Amtrak Board less committed to existing Amtrak concept

Losses continue to mount and Acela has been somewhat of a disappointment

Negative factors

Findings and Recommendations of the
Amtrak Reform Council

Success of Privatization elsewhere

RIM Proposal

Recent cracked brake discs problem

Positive Factors

Continued Growth in Ridership

Leadership Change in Senate
Transportation Subcommittee

Broad Criticism of Administration's Plan
Including the DOTIG

Accurate or Not the Belief Post 9/11 We Need
the Rail Option

Support for Multi-year Financing and
Reintroduction of RIDE-21 etc

Positive Factors

Administration's Proposal of zero dollars is going nowhere

Administration is reintroducing last congress' bill

House T&I reintroducing Young/Oberstar \$2 Billion/year for 3 years

Ride 21 to be reintroduced

Controversial Factors

Amtrak bankruptcy is treated as a RR bankruptcy

Amtrak Board's New Proposal Unclear and
Contains Difficult Labor Changes

Rep. Mica's Proposal

No Authorization and Funding by Appropriations



Amtrak and the Surface Transportation Board

Created by ICC Termination Act of 1995

Born out of the Deregulation Movement

Residual Economic Regulation of the Railroads

Far Smaller Staff and Scope of Authority

STB Mission

- Exclusive authority to approve of rail mergers
- Review rail rates and practices to ensure they are reasonable and not discriminatory
- Approval, including environmental review, of
 - (i) construction of any new rail line or
 - (ii) abandonment of existing lines
- Motor carrier collective ratemaking activities
- Rates for non-contiguous domestic water trade
- Rates for pipelines not carrying energy products





STB Responsibilities over Rates and Service

Oversee and Monitor Railroad Practices Nationally

Enforce the Railroads' Common Carrier Obligation

Ensure that Rates Charged Captive Shippers are Reasonable

Assist Railroads in Earning Adequate Revenues

Calculate the Railroads' Cost of Capital

STB's Rail Passenger Service Responsibilities

Arbitrate Disputes between Railroads and Amtrak over Amtrak Access to Railroad Rights-of-way

Incremental Cost based Compensation

Authorization to Condemn Property

Issue Emergency Re-routing orders when Regular Amtrak route is unavailable



Amtrak and the STB

Appropriations Act of 2004 gave STB Responsibility for
Directed Services in case of Amtrak Shutdown

Commuter Rail Operations were Amtrak's Ace in the hole
Twelve Commuter Rail Systems rely on Amtrak as do 11
freight operators

FRA and STB have developed interagency
agreement to transfer funds to STB to continue
commuter operations

\$60 million withheld from Amtrak's funding grant
to cover 60 days



Amtrak and the STB

Assumption is that \$360 million annually can accomplish the task

Surveyed the Commuter Rail Systems

Need to identify individual positions and functions

But need an appropriation—law requires money be available in advance

Key Questions

What triggers a STB order for directed service?

Who could the STB direct to provide the service?

Are Amtrak trains commuter trains?

What happens to the labor agreements?

What happens if Amtrak declares bankruptcy?

Thank You, Any Questions?

